

## Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 COME-00 SSO-00 EB-07 OES-07 TRSE-00

H-02 CIAE-00 INR-07 NSAE-00 PM-04 DODE-00 INRE-00

/040 R

DRAFTED BY EUR/SOV:JTREICHEL:PJP

APPROVED BY EUR/SOV:MGARRISON

EUR/SOV WEDGAR

COMMERCE/BEWT JBROUGHER

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FM SECSTATE WASHDC

TO AMEMBASSY MOSCOW IMMEDIATE

UNCLAS STATE 112107

E.O. 11652: N/A

TAGS: ENRG EMIN UR US

SUBJECT: US FIRM INTEREST IN OIL/GAS PROSPECTING OFF ALASKA

1. EUR/SOV OFFICERS MET WITH CHARLES H. SELMAN, VICE PRESIDENT, GEOPHYSICAL CORPORATION OF ALASKA (GCA), AND F. L. SHOGRIN OIL PROPERTY CONSULTANT FROM DENVER MAY 12 TO DISCUSS GCA'S PLAN TO LOOK FOR GAS AND OIL DEPOSITS IN WATERS OFF ALASKA. MEETING WAS ARRANGED BY OFFICE OF CONGRESSWOMAN PATRICIA SCHROEDER.

2. GCA'S PLAN IS TO CONDUCT COMMON DEPTH POINT SEISMIC SURVEY, USING THE SCIENTIFIC SHIP BERING EXPLORER, FROM ST. LAWRENCE ISLAND INTO ANADYR BAY, SIBERIA, AND BACK TO NORTON SOUND OFF ALASKA COAST. SINCE UNDERWATER FORMATIONS WHICH INTEREST GCA LIE PARTIALLY IN SOVIET WATERS (ANADYR BAY), COMPANY WISHES TO OBTAIN PERMISSION OF SOVIETS TO CONDUCT EXPLORATORY WORK THERE. ALTHOUGH GCA WOULD SELL  
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RESULTS OF ITS FINDING OUTSIDE SOVIET WATERS TO INTERESTED OIL AND/OR GAS COMPANIES, IT COULD MAKE ITS FINDINGS WITHIN SOVIET WATERS AVAILABLE TO THE SOVIETS AT COST. IF SOVIET GOVERNMENT PERMITTED GCA TO WORK WITHIN SOVIET TERRITORIAL WATERS, GCA WOULD ASK THAT SOVIETS ASSIGN AN ESCORT VESSEL AND PLACE ONE OR TWO OBSERVERS ON BOARD

BERING EXPLORER.

3. GCA EMPHASIZES THAT IT WOULD LIKE TO WORK OUT AN ACCOMODATION SO THAT IT CAN PURSUE ITS EXPLORATORY WORK IN A WAY WHICH IS ALSO BENEFICIAL TO SOVIETS. INVESTIGATIONS WHICH IT HAS CONDUCTED ON ALASKA SIDE INDICATE GEOLOGICAL PROSPECTS FOR OIL AND GAS ARE PROMISING AND SEVERAL OIL COMPANIES ARE INTERESTED IN GCA'S PLAN. (SELMAN PARTICIPATED IN THE PRUDHOE BAY OIL DISCOVERY.) GCA UNDERSTANDS SOVIETS HAVE GAS FIELDS ONSHORE IN ANADYR BAY, BUT THAT QUANTITY OF GAS THERE IS APPARENTLY NOT ENOUGH TO MAKE PRODUCTION ECONOMICAL. GCA REASONS THAT IF IT FINDS FURTHER GAS DEPOSITS IN ANADYR BAY, THIS MIGHT MAKE GAS PRODUCTION IN THE AREA FEASIBLE FOR THE SOVIETS.

4. GCA HAS SOUGHT TO CONTACT SOVIETS DIRECTLY VIA CABLE SENT FEBRUARY 23 TO E. S. YASTROETOV, CHIEF OF FOREIGN RELATIONS, SCST, AND VIA LETTER AT ABOUT THE SAME TIME FROM CONGRESSWOMAN SCHROEDER TO AMBASSADOR DOBRYNIN. NO RESPONSE RECEIVED TO EITHER COMMUNICATION.

5. DEPARTMENT INFORMED SELMAN AND SHOGRIN THAT OIL AND GAS PLAYED MAJOR ROLE IN SOVIET DEVELOPMENT PLANS AND THAT TURNING TO WESTERN FIRMS (INCLUDING US COMPANIES) FOR ASSISTANCE IN THESE INDUSTRIES WAS WELL-ESTABLISHED SOVIET PROCEDURE. HOWEVER, SINCE GCA UNDERTAKING INVOLVED EXPLORATION IN AN AREA WHICH IS PARTICULARLY SENSITIVE FOR THE SOVIETS, IT WAS NOT CLEAR WHETHER THEY WOULD FAVOR IT OR BE ABLE TO REACT QUICKLY. SELMAN AND SHOGRIN STRESSED UNCLASSIFIED

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THAT WEATHER CONDITIONS OFF ALASKA DICTATED THAT THEY BEGIN EXPLORATION NO LATER THAN JUNE 1. IF THIS WAS NOT POSSIBLE, HOWEVER, THEY WERE WILLING TO CONSIDER POSTPONING THE OPERATION UNTIL SUMMER OF 1978. THEY ARE PREPARED TO MEET DIRECTLY WITH THE SOVIETS TO DISCUSS THEIR PLAN.

6. REQUEST EMBASSY DISCUSS GCA'S PROPOSAL WITH THE APPROPRIATE SOVIET ORGANIZATIONS AND REPORT SOVIET REACTION. BACKGROUND MATERIAL ON GCA BEING POUCHED TO EMBASSY. CHRISTOPHER

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## Message Attributes

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**Channel Indicators:** n/a  
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**Executive Order:** N/A  
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**TAGS:** ENRG, EMIN, UR, US, GEOPHYSICAL CORPORATION OF ALASKA, F L SHOGRIN OIL PROPERTY, (SELMAN, CHARLES H)  
**To:** MOSCOW  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009